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ADOPTION OF THE AGENDA AND OTHER ORGANIZATIONAL MATTERS

Letter dated 24 June 1994 from the Managing Director of the International Monetary Fund to the Secretary-General

In accordance with Article XI of the Agreement Between the United Nations and the International Monetary Fund, I wish to inform the Economic and Social Council that the Fund is proposing to enter into a formal agreement with a specialized agency of the United Nations, namely, the International Bank for Reconstruction and Development, together with three other organizations: the Bank for International Settlements, the European Bank for Reconstruction and Development, and the Organisation for Economic Cooperation and Development.

The five organizations have agreed to conduct training programmes directed at officials of the countries of Central and Eastern Europe, the countries formerly republics of the Union of Soviet Socialist Republics, and other countries, in their transition from centrally planned to market-based economies. To that end, the organizations have agreed to establish a new international organization, the Joint Vienna Institute, with headquarters in Vienna.

Accordingly, the sponsoring organizations have negotiated a draft Agreement for the Establishment of the Joint Vienna Institute ("Agreement") (copy attached), which has been approved by their respective governing bodies. The "nature and scope" of the Agreement are to establish the Joint Vienna Institute as an international organization in order to carry out the purpose and activities set forth therein, to specify the powers of the Institute and the arrangements for its organization and management, and to define the rights and obligations of the Parties, i.e., the sponsoring organizations. The Agreement will come into force upon signature by any four of those organizations (Article XII, paragraph 2).

(Signed) Michel CAMDESSUS

Annex

AGREEMENT FOR THE ESTABLISHMENT OF THE JOINT VIENNA INSTITUTE

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AGREEMENT FOR THE ESTABLISHMENT OF THE JOINT VIENNA INSTITUTE

THE PARTIES SIGNATORY HERETO,

RECOGNIZING the importance of assisting Central and Eastern European countries and countries formerly republics of the U.S.S.R. in their transition to market-based economies;

NOTING that the training of officials from these countries is one important component of such assistance;

HAVING REGARD to the common interests of the Parties in establishing a training institute in Vienna, Austria, for this purpose; and

RESPONDING to the invitation of the Republic of Austria to locate such an institute in Vienna;

HAVE AGREED as follows:

ARTICLE I

Establishment and Status

1. There is hereby established the Joint Vienna Institute (the "Institute") as an international organization with full juridical personality.

2. The Institute shall operate in accordance with this Agreement.

ARTICLE II

Purpose and Activities

1. The purpose of the Institute shall be to provide training to support and supplement the national efforts of the countries of Central and Eastern Europe, the countries formerly republics of the U.S.S.R., and other countries, in their transition from centrally planned economies to market-based economies.

2. To this end, the Institute shall offer courses of instruction of the highest standard and of direct relevance to the purpose of paragraph 1 above, including courses in the areas of administration and economic and financial management. The Institute shall provide training primarily to public officials, and to other persons, with due regard to the role of the private sector. The Institute will also assist training institutes by providing training and other support.

ARTICLE III

Powers

The Institute shall have the capacity:

(a) to contract;

(b) to acquire and dispose of immovable and movable property;

(c) to institute and respond to legal proceedings; and

(d) to take such other action as may be necessary or useful for its purpose and activities.

ARTICLE IV

Headquarters

1. The headquarters of the Institute shall be located in Vienna, Austria, under such terms and conditions as agreed between the Institute and the Republic of Austria.

2. The Institute may establish facilities in other locations as required to support its activities.

ARTICLE V

Organization and Management

1. Structure of the Institute

The Institute shall have an Executive Board, an Advisory Committee, a Director, and staff.

2. Executive Board

(a) The Executive Board (the "Board") shall be responsible for the conduct of the business of the Institute.

(b) Each of the Parties shall appoint one Member to the Board and one Alternate Member to act for the Member when he is unable to serve.

(c) The Board shall elect a Chairman and a Vice-Chairman from among its Members.

(d) The Board shall meet at least once a year. Meetings of the Board shall be called by the Chairman as required or when requested by at least two Members of the Board.

(e) A majority of Members of the Board shall constitute a quorum for any meeting of the Board.

(f) Decisions of the Board shall be taken by a majority of votes cast, provided that:

(i) the following decisions shall be subject to the approval of all Members voting: decisions under Article V, paragraph 2(g)(i), Article V, paragraph 2(g)(iii), Article V, paragraph 2(g)(vi) and Article XVI; and

(ii) the following decisions shall be subject to the approval of four-fifths of all Members voting: decisions approving the work program under Article V, paragraph 2(g)(ii) and decisions approving the annual budget under Article V, paragraph 2(g)(iv).

(g) The Board shall:

(i) adopt by-laws for the governance of the Institute in accordance with this Agreement, including by-laws for the implementation of the provisions of Article IX, paragraphs 3 and 4;

(ii) determine the Institute's policies and approve its work program;

(iii) select the Director and external auditor of the Institute;

(iv) approve the Institute's annual budget, audited financial statements and reports;

(v) appoint members of the Advisory Committee; and

(vi) approve agreements to be concluded under Article VIII.

3. Director and Staff

(a) The Director shall be chief of the operating staff of the Institute and shall, under the direction of the Board:

(i) conduct the ordinary business of the Institute;

(ii) represent the Institute in its dealings with third parties; and

(iii) do and perform all other acts necessary to further the purpose of the Institute.

(b) The Director shall serve for a term of two years, subject to renewal.

(c) The Director shall be responsible entirely to the Board, and to no other authority, for operating and managing the Institute in accordance with this Agreement, the by-laws and other decisions of the Board.

(d) Subject to the general control of the Board, the Director shall be responsible for the organization, appointment and dismissal of the staff of the Institute. In appointing the staff, the Director shall secure the highest standards of efficiency and of technical competence.

4. Advisory Committee

The Advisory Committee shall consist of members appointed by the Board, including representatives of countries referred to in Article II, paragraph 1, to advise it on the Institute's general training policies and programs.

ARTICLE VI

Associate Members

1. The Board may appoint major contributors to the Institute as Associate Members for such periods of time as it shall determine.

2. The Board may invite Associate Members to participate in its meetings for particular agenda items. Associate Members shall have no right to vote.

3. The Institute shall provide Associate Members with copies of its work program, annual budget, and of its annual report referred to in Article IX, paragraph 4.

ARTICLE VII

Cooperative Relationships

The Institute may establish cooperative relationships with any public or private entity, including other training and teaching institutions.

ARTICLE VIII

Privileges and Immunities

1. The Institute, the Members of the Board and their alternates, members of the Advisory Committee, the Director, staff and experts shall enjoy such privileges and immunities as agreed between the Institute and the Republic of Austria.

2. The Institute may conclude agreements with other countries in order to secure appropriate privileges and immunities.

ARTICLE IX

Finances and Reports

1. The resources of the Institute shall include the following:

   (a) voluntary contributions by each Party;

   (b) contributions by the Republic of Austria;

   (c) contributions from other sources; and

   (d) income accruing from such contributions and other income.

2. The fiscal year of the Institute shall be the calendar year.

3. Each year, the Director shall prepare and submit to the Board, for its approval, the annual work program and budget.

4. Each year, the Director shall prepare and submit to the Board, for its approval, an annual report containing an audited statement of the Institute's accounts and a summary of the activities of the Institute. Such audit shall be conducted by an independent external auditor selected by the Board.

ARTICLE X

Liability

1. No Party or Associate Member shall be required to provide financial support to the Institute beyond such contributions as it has pledged.

2. The Parties shall not be responsible, individually or collectively, for any debts, liabilities, or other obligations of the Institute; a statement to this effect shall be included in each of the agreements concluded by the Institute under Article VIII.

ARTICLE XI

Amendments

This Agreement may be amended only with the agreement of all Parties.

ARTICLE XII

Coming into Force and Depositary

1. This Agreement shall be open for signature by the following organizations: The Bank for International Settlements, the European Bank for Reconstruction and Development, the International Bank for Reconstruction and Development, the International Monetary Fund, and the Organisation for Economic Co-operation and Development.

2. This Agreement shall come into force upon signature by four of the above-named organizations and shall remain open for signature by such organizations for a period of one year from the date of its coming into force.

3. The Federal Minister for Foreign Affairs of the Republic of Austria shall be the Depositary of this Agreement.

ARTICLE XIII

Settlement of Disputes

Any dispute arising between the Institute and any Party or between any Parties under this Agreement shall be settled by negotiation or other agreed means of settlement.

ARTICLE XIV

Withdrawal

1. Any of the Parties may withdraw from this Agreement by written notification to the Depositary. Such withdrawal shall become effective three months after receipt of such notification by the Depositary.

2. Withdrawal from this Agreement by a Party shall not limit, reduce or otherwise affect its pledged contribution for the fiscal year in which it withdraws.

ARTICLE XV

Termination

1. The duration of this Agreement shall be five years from the date of its coming into force unless the Parties unanimously decide to extend the duration of this Agreement by one or more successive periods of twelve months. At the expiration of this initial term of five years or any extension thereof, the Parties shall forthwith wind up the Institute by written notification to the Depositary. Any assets of the Institute remaining after payment of its legal obligations shall be disposed of in accordance with a decision of the Board.

2. Notwithstanding paragraph 1, the Parties, acting unanimously, may terminate this Agreement at any time and wind up the Institute by written notification to the Depositary. Any assets of the Institute remaining after payment of its legal obligations shall be disposed of in accordance with a decision of the Board.

3. The provisions of this Agreement shall survive its termination to the extent necessary to permit an orderly disposal of assets and settlement of accounts.

ARTICLE XVI

Accession

This Agreement shall be open for signature by such international organizations as may be decided by the Board.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have signed this Agreement on the dates indicated below.

For the Bank for International Settlements:

_____ _____
Date

For the European Bank for Reconstruction and Development:

_____ _____
Date

For the International **Bank for Reconstruction and Development:**

_____ _____
Date

For the International Monetary Fund:

_____ _____
Date

For the Organisation for Economic Co-operation and Development:

_____ _____
Date